

NIH POLICY MANUAL

6013-2 INTERNAL PROCEDURES FOR THE PURCHASE CARD (I.M.P.A.C.) PROGRAM

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A. INTRODUCTION

To help reduce the burden in procuring items under the simplified acquisition threshold, the General Services Administration (GSA), Federal Supply Service (FSS) awarded a contract in February 1998 for Government-wide Commercial Purchase Card Services to four banks under the GSA SmartPay Program. National Institutes of Health chose to remain with US Bank, formerly known as Rocky Mountain Bank Card System, Inc., under the former GSA International Merchant Purchase Authorization Card (I.M.P.A.C.) program.

The use of the purchase credit card is a simplified acquisition mechanism, and as such, is subject to the simplified acquisition provisions established in the Federal Acquisition Regulation (FAR), Health and Human Services Acquisition Regulation (HHSAR), and NIH implementation instructions.

The purchase card is designed to: (1) reduce procurement lead time and the cost of processing purchase orders; (2) streamline payment procedures and reduce paperwork; (3) improve cash management practices such as forecasting and consolidating payments; (4) provide procedural checks and feedback to improve management control and decision making.

The US Bank VISA purchase card has been designed so that it will not be confused with personal credit cards. The card bears the Great Seal of the United States, the statement **For Official US Government Purchases Only** and the name GSA SmartPay Program, along with "United States of America" printed on the face of the card. The card has the cardholder's name embossed on it, and in accordance with VISA International regulations, can only be used by that individual.

It is the policy of NIH to use oral ordering procedures, (i.e., DELPRO, purchase card, etc. (see Paragraph C12)) for purchases up to the micro-purchase threshold (i.e., \$2,500) where authorized and feasible. Exceptions should be limited to: (1) Requirements which necessitate other than routine terms and conditions; (2) Requirements that are too complex to be conveyed orally; (3) Merchants who do not accept the oral purchasing mechanisms used by NIH, i.e., DELPRO BPAs, SF 44s, or VISA cards; (4) Other situations in which the cardholder believes the Government's best interests will be served by purchasing via an alternative method.

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Offices currently using Purchase/Delivery Orders or SF44s "Purchase Order-Invoice Voucher" to acquire goods or services are encouraged to request purchase card delegations of authority from the Agency Program Coordinator (APC) for non-acquisition personnel to procure goods and services up to the micro-purchases threshold. Non-acquisition personnel (doctors, researchers, technical personnel and other support staff) may be authorized to purchase up to the micro-purchase threshold of \$2,500.

B. PURPOSE

These operational instructions are intended to provide NIH employees guidance in the use of the purchase card. Designation of an individual to be a cardholder and/or Card Approving Official (CAO) is an IC prerogative, subject to the delegation of authority being approved by the APC for \$2,500 and under, and the HCA (Head of the Contracting Activity) for greater than \$2,500, as long as the cardholder and CAO complies with the training, certification, and other provisions of this manual. ICs may supplement this document to provide further guidance for their cardholders, CAOs, and Administrative Offices.

NOTE: Cardholders and Card Approving Officials must be at least 18 years of age and must be Government employees.

C. DEFINITIONS

1. **Agency Program Coordinator (APC):** The APC, located in the Division of Acquisition Programs (DAP), Office of Logistics and Acquisition Operations (OLAO), serves as the focal point for coordination of the applications, issuance and destruction of cards, establishment of reports, and administrative training. This individual also serves as the liaison between NIH, US Bank, and the GSA Contracting Officer. He/she oversees the purchase card program and the established guidelines. Changes to dollar limitations or authorized merchant codes must be submitted by the APC to US Bank. The APC's address is:

National Institutes of Health
Division of Acquisition Programs, OLAO
6011 Executive Blvd., Room 549F
Bethesda, MD 20892-7240
Purchase Card Helpline: (301) 435-6606

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2. Head of the Contracting Activity (HCA): This individual is responsible for assuring the effectiveness, efficiency, and integrity of all NIH acquisition activities. The HCA's address is:

Director, Office of Acquisition Management and Policy, OA
6100 Executive Blvd., Room 6D01C (MSC 7540)
Bethesda, MD 20892
Telephone: (301) 496-4422

3. Billing Cycle Purchase Limit (Monthly Cardholder Purchase Limit): The spending limit imposed on a cardholder's cumulative purchases in a given month.

4. Billing Cycle Office Limit (Monthly Office Limit): The monthly office limit is a budgetary limit established for each CAO.

5. Card Approving Official (CAO): The CAO should be the cardholder's immediate supervisor or higher level official, or the cardholder's Administrative Officer. Cardholders cannot be each others CAOs.

6. Convenience Checks: These checks may be used in place of the US Bank VISA purchase card under only two specific instances: (a) a one-time payment for Professional Service Orders (a.k.a. AS@orders) in the event the professional is not yet registered for electronic funds transfer (EFT); and (b) for patient related services, e.g., blood draws, lymphs, monos, apheresis, bone marrow aspiration, phlebotomy, and other procedures relating to health care patients.

7. Designated Billing Office Contact: (Office of Financial Management (OFM), NIH)
This individual receives the official invoice from US Bank and is responsible for payment. The Designated Billing Office contact is:

Chief, Commercial Accounts Section, OFM
Building 31, Room B1B35
31 Center Dr., MSC 2045
Bethesda, MD 20892-2045
Telephone: (301) 496-3368

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8. Domestic End Product: Under the Buy American Act, a Domestic End Product is: (a) an unmanufactured end product mined or produced in the United States (e.g., lumber, coal, etc.) or (b) an end product manufactured in the United States, if the cost of its components mined, produced, or manufactured in the United States exceeds 50 percent of the cost of all its components.

9. I.M.P.A.C.: An acronym that stands for "International Merchant Purchase Authorization Card" a/k/a Government-wide Commercial Purchase Card that was associated with the purchase card program prior to 1998. However, US Bank still uses it to differentiate the Government and Commercial Businesses.

10. Merchant Codes: US Bank categorizes each merchant according to the type of business the merchant is engaged in and the kinds of goods and services provided. These codes designate what can or cannot be purchased with the purchase card.

11. Micro-Purchase: In accordance with the Federal Acquisition Streamlining Act (FASA) of 1994, a Micro-Purchase is defined as a purchase of supplies or services (except construction), the aggregate amount of which does not exceed \$2,500. Micro-purchases for construction are limited to \$2,000. A proposed purchase may not be divided into several purchases for lesser amounts in order to use either the micro-purchase or simplified acquisition procedures.

12. Oral Procedure: As used in these instructions, a procedure where an order is placed or a purchase is made through an oral or electronic ordering method that eliminates written orders. The purchase may be made in person or by telephone. NIH's DELPRO system, SF44s "Purchase Order-Invoice Voucher", and purchase cards are all considered to be oral ordering methods.

13. Single Purchase Limit: The single purchase limit is the maximum dollar amount of a single transaction. The single purchase limit will normally be set at \$2,500 or less. The single purchase limit may be established higher than \$2,500, up to the simplified acquisition threshold, if the cardholder has been certified as a Level I (or higher) procurement official and the individual has been issued an appropriate delegation of authority by the HCA.

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14. Statement of Account: The Statement of Account (SOA) is a monthly listing of all purchases and credits made by the cardholder and billed by the merchant. The SOA is transmitted on-line from US Bank to NIH and then re-transmitted to the cardholders and CAOs through the Administrative Data Base (ADB).

15. US Bank: US Bank is the contractor which maintains all purchase card accounts, issues purchase cards to cardholders, sends monthly ADB statements to cardholders, CAOs, and OFM and provides various reports to the APC.

16. Electronic Funds Transfer: NIH began making all payments from the U.S. Treasury via Electronic Funds Transfer (EFT) in January 1998. EFT is defined as any transfer of funds by means other than paper. Automated Clearing House (ACH) is the primary system used to transfer payments directly into the accounts of vendors and others. The Debt Collection Improvement Act of 1996 (Public Law 104-134) mandates the use of EFT for all Federal payments.

D. TRAINING

Prospective cardholders and CAOs must complete a training course, receive delegations of authority up to and including \$2,500 from the APC, and greater than \$2,500 from the HCA, and complete the certifications (as required) (see Paragraph C13 and E2) prior to their account being set up with US Bank. Additional training courses are required for cardholders seeking delegations of authority above \$2,500. These individuals need Level I Authority. Level I authority may be obtained by supplying a copy of your training certificate and the following: completion of either Basic Simplified Acquisition and Advanced Simplified Acquisition or Contract Formation I and Acquisition Planning II and have one (1) year of simplified acquisition experience.

The cardholder and CAO will sign a statement that he/she has been fully trained and understands all policies and procedures and agrees to abide by those instructions regarding the card usage prior to receiving a delegation of authority to use the purchase card.

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E. REGULATORY COMPLIANCE

1. Standards of Conduct

Government employees hold a public trust; their conduct must meet the highest ethical standards. All NIH government employees shall use this card only to purchase supplies and services within the guidance of this program. Cardholders and CAOs who make false statements on purchase card records may be removed from Federal Service, and may be fined, imprisoned, or both, as stated in Title 18 United States Code. For more information visit the ethics web site at: <http://ethics.od.nih.gov/principl.htm>.

2. Procurement Integrity

Cardholders who have authority up to the micro-purchase limit (\$2,500) are not considered "procurement officials" as provided in the procurement integrity provisions of the Office of Federal Procurement Policy Act (OFPPA). Individuals with delegated procurement authority over \$2,500 are considered Procurement Officials and must receive procurement ethics training. (FAR 3.104) For more information visit the ethics web site at: <http://ethics.od.nih.gov/Topics/procure.htm>.

3. Priority Procurement Sources

There is a statutory requirement to acquire supplies and services from priority sources when available (FAR Section 8.001). For supplies these sources include (in descending priority):

- a. NIH inventories (stock and surplus);
- b. excess personal property from other agencies;
- c. the Federal Prison Industries, Inc. (UNICOR) (<http://www.unicor.gov>) (see NOTE 1 below);
- d. procurement lists of supplies available from the Committee for Purchase From People Who Are Blind or Severely Disabled (NIB/NISH) (<http://jwod.gov>), (these items are available through GSA (priority source Letter e, listed directly below));
- e. wholesale supply sources (such as stock programs of GSA, (<http://www.gsa.gov>)) (see NOTE 2 below);

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- f. mandatory Federal Supply Schedules (FSS) (see NOTE 2 below);
- g. optional use FSS (See NOTE 2 below); and
- h. commercial sources (including educational and nonprofit institutions).

The sources for services include (in descending priority):

- a. Procurement lists of services available from the Committee for Purchase From People Who Are Blind or Severely Disabled (NIB/NISH) (<http://jwod.gov>);
- b. mandatory FSS and mandatory GSA term contracts for personal property rehabilitation;
- c. optional use FSS and optional use GSA term contracts for personal property rehabilitation; and
- d. Federal Prison Industries (UNICOR) (<http://www.unicor.gov>).

Vendors awarded a Blanket Purchase Agreement (BPA) are an excellent source for FSS and open market items since discounts and terms and conditions have been pre-negotiated for the products and services authorized for purchase. NIH's BPA listing is located at <http://silk.nih.gov/public/aqd1yvy.@www.bpa.report.dsncc>. As such, the products and services available should be less expensive when purchased through the BPA vendors than when purchased through other commercial sources. However, BPA vendors should be considered for use only after the priority sources have been considered. Ordering officials should rotate vendors when considering awards.

When the BPA vendor is contacted, the cardholder should identify himself/herself as being from NIH and request the discount negotiated on the BPA. It should be noted that all BPAs include a clause that requires the vendor to extend the discount rate to any NIH mechanism.

NOTE 1: UNICOR has established an on-line system through the World Wide Web which allows Federal agencies to access its catalogs and see what it has available, including items under the QUICKSHIP program. UNICOR has expanded this system to accept orders via the purchase card. The on-line system can be reached through the Internet's World Wide Web, and ordering on-line uses software which will encrypt the purchase card information and provide security to the cardholder. The address is: <http://www.unicor.gov>. You can also place orders,

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including Quick Ship items, using the purchase card by calling 800-827-3168, press 1 for customer assistance and 2 for purchase card orders.

NOTE 2: GSA has established an on-line system, GSA Advantage, which allows Federal agencies to see what GSA sources of supply are available, compare items, and place orders via the purchase card program. The system allows the cardholder to quickly browse, perform key word searches on product specific information, review delivery options, and place an order. The system can be reached through the Internet's World Wide Web at <http://www.gsa.gov>. Use of this software provides the highest level of encryption currently allowed by the U.S. Government.

4. Small Business Set-Aside

The small business set-aside is a mechanism by which acquisitions (contracts and purchases) are reserved for the exclusive participation of small business concerns. All acquisitions not exceeding the \$100,000 threshold are automatically reserved by law for small business. (FAR 13.003 and 19.502-2)

5. Buy American Act

The Buy American Act requires that only domestic end products be acquired for purchases exceeding the micro-purchase threshold (\$2,500). FAR 25.108 lists the exceptions such as books, pamphlets, magazines, periodicals, etc.

6. Service Contract Act

The Service Contract Act is applicable for acquiring services over \$2,500. The purchase card file must contain evidence that the individual was given mandatory provisions regarding minimum wages and fringe benefits, etc.

7. NAICS Code

Purchases above \$2,500 must include a North American Industry Classification and Size Standard (NAICS) code. The NAICS code replaced the Standard Industrial Classification (SIC) code. The NIH Small Business Office has created a web-based search engine to simplify the search for the code. It is <http://epic.od.nih.gov>.

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8. Authorized Use of the Purchase Card

Use oral ordering methods under simplified acquisition procedures to acquire any type of supplies or services WITH THE EXCEPTION OF those items identified in Appendix 1, "Unauthorized Purchases List". The purchase card can be used for orders placed against established contracts, if stated in the contract. The purchase card can be used to order a product or service under a BPA if the BPA vendor accepts the purchase card, which almost all do. In this instance, a separate ROC **must not** be entered into the DELPRO system since this will create a duplicate financial obligation. Purchases from federal supply schedule and open market sources using the purchase card shall be distributed equitably among the qualified suppliers. (Federal supply schedules must be considered prior to making an open market purchase).

9. Unauthorized Use of the Purchase Card

- a. The purchase card is **FOR OFFICIAL USE ONLY!** Use of the purchase card by a cardholder for a personal purchase, or a purchase of supplies or services which the cardholder had no authority to make, or **use of the card by a person other than the cardholder, is unauthorized.** Use of the card for unauthorized purchases will be a basis for immediate cancellation of the card and the Delegation of Authority, possible disciplinary action, and/or possible criminal action.
- b. Intentional use of this card for unauthorized purposes will be considered as an attempt to commit fraud against the U.S. Government.
- c. If an unauthorized purchase is made, OFM (based on documentation from CAO and/or the Administrative Office) will bill the employee the full cost of the purchase plus interest and administrative debt collection fees authorized by the Debt Collection Act. OFM will take all actions necessary to collect the debt including, if necessary, salary offset.
- d. The purchase card may not be used to purchase items on the Unauthorized Purchases List (see Appendix 1). Future updates of the Unauthorized Purchases List may be found on the OLAO website, <http://www.nih.gov/od/olao/oa>.

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F. RESPONSIBILITIES

1. Card Approving Official

a. The CAO is responsible for the following:

(1.) Requesting the establishment of new accounts, Single Purchase Limits, Billing Cycle Purchase Limits, and Billing Cycle Office Limits through the Administrative Office. These requests will be processed either via an e-mail to Creditcard@OD.NIH.GOV, the global listing "Help, Creditcard", or by faxing to (301) 496-5212. Unless circumstances warrant it, there will be no more than five (5) cardholders assigned to a CAO. (It is very difficult for a CAO to appropriately monitor and control a large number of Cardholders and their purchases, especially if the CAO has other duties and responsibilities. The recommended ratio of CAOs to CH is not more than 1:5. Under certain rare and extenuating circumstances up to 10 cardholders per CAO may be allowed. The monthly transaction volume of the cardholder will be taken into consideration).

(2.) Reconciling monthly each of his/her cardholders' statements and verifying that all transactions were valid Government purchases. The reconciliation must be completed no later than the 18th of the month.

(3.) Serving as liaison with the Administrative Office, OFM and the APC.

(4.) Assisting the cardholder in resolving disputed payments and, as necessary, recommending to the APC (through the Administrative Office) that a cardholder's card be canceled.

(5.) Assuring that all official purchase records are maintained by the cardholders.

(6.) Providing formal written notice either via mail or by e-mail to Creditcard@OD.NIH.GOV or the global listing "Help, Creditcard" to the APC (through the Administrative Office) if a cardholder's card is lost or stolen.

(7.) Forwarding copies of all documentation to the Administrative Office/IC Coordinator for maintenance of the official acquisition file. (ICs may designate a repository for the official acquisition file other than the cardholder, CAO, or Administrative Office.) These records must be maintained for a period of **6 years and 3 months**.

(8.) Keeping the Chief, Commercial Accounts, OFM informed of problems or suspected problems.

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(9.) When a cardholder leaves, making sure the card is canceled and all files are given to the CAO, which they either retain or transfer to the next level of authority.

b. A CAO must assure that all active cardholders listed on the monthly summary review their automated SOA.

(1.) If an automated SOA has not been reviewed by an active cardholder listed on the summary by the 13th of the month, or the CAO has not been informed that the SOA will be late, the CAO shall follow-up with the cardholder to ensure timely processing.

(2.) If the automated SOA cannot be reviewed in a timely fashion by a cardholder due to extended leave or illness, the CAO shall review the SOA and supporting documents, process the SOA and forward the documentation to be included in the official procurement file along with an explanation of why the cardholder could not process the automated SOA to the Administrative Office/IC Coordinator (no later than the 18th of the month).

c. The documentation forwarded to the Administrative Office/IC Coordinator will become part of the official financial file as well as the official acquisition file.

2. Administrative Office/IC Coordinator

a. The Administrative Office/IC Coordinator will maintain the official file (inclusive of financial and acquisition data) for each purchase card order. The acquisition file will consist of:

(1.) The original supporting documentation received from the vendor and/or cardholder, e.g., charge slips, credit slips, packing slips, cash register receipts, etc. If for some reason the cardholder does not have documentation of the transaction to send with the statement, he/she must attach an explanation that includes a description of the item, date of purchase, merchant's name and why there is no supporting documentation;

(2.) A copy of all required clearances in accordance with NIH Manual 26307-3/6307-3, Special Clearance and Other Acquisition Procedures;

(3.) A copy of all forms required by the IC procedures;

(4.) "I.M.P.A.C. Cardholder Statement of Questioned Item" form; and

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(5.) A copy of the automated SOA after it has been reconciled.

b. The official file must be maintained for **six years and three months** after the final payment to comply with finance regulations.

c. The Administrative Office/IC Coordinator is responsible to ensure that all accountable personal property is decaled and entered into the Property Management Information System.

3. Division of Acquisition Programs (DAP)

a. DAP must provide OFM with the following:

- (1.) Copy of each delegation of authority as it is established, and
- (2.) Current list of all cardholders and CAOs on a monthly basis.

b. DAP is responsible to ensure that training is provided to all prospective cardholders and CAOs.

c. DAP must make sure that all prospective cardholders and CAOs fully understand all policies and procedures regarding card usage and have them sign a statement to this effect before they receive a purchase card.

d. DAP will audit annually every cardholder with delegated authority above \$2,500 and every person who issues convenience checks.

e. DAP will review other cardholders with authority below \$2,500 via a random sample that will be based on the number of cardholders. (The sample will not be less than 10 percent of the population per year).

f. The APC/DAP serves as the liaison between cardholders, Card Approving Officials and US Bank, as well as between NIH, DHHS and GSA regarding purchase card matters.

DAP will receive a copy of the monthly master SOAs from US Bank and conduct a review of individual cardholder purchases on a random basis, and/or in response to requests from OFM, CAOs, and/or Administrative Offices/IC Coordinators. This

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review will consist of the DAP staff reviewing the official acquisition file(s). This review shall focus on general adequacy of documentation and compliance with published procedures, as well as unauthorized purchases and evidence of improper order splitting. If inappropriate cardholder purchases are identified, DAP will notify the CAO, Administrative Office/IC Coordinator, OFM and US Bank, and may initiate administrative action to cancel the Purchase Card. DAP may recommend other actions, including criminal prosecution or disciplinary action, as appropriate.

4. Center for Information Technology (CIT)

- a. The Enterprise Systems Branch (ESB), CIT will maintain and update the Government Purchase Card (CRD) function within the ADB.
- b. ESB will access the US Bank data base daily and download the data for NIH's purchase card program. The data will be uploaded into the ADB and made available to the cardholders and CAOs via the CRD function every day.
- c. ESB will run two copies monthly of all the reports provided by US Bank in the transmitted data set. One copy of each report will be provided to the APC and the other copy of the reports will be provided to the Billing Office Contact (Chief, Commercial Accounts). The reports include the F-109, F-107, G022, R063, G077, G089, R900, and the R090.
- d. ESB will issue CIT ACCOUNT INITIALS and ADB user IDs to the cardholders and CAOs.
- e. ESB will provide technical support to the APC, OFM, cardholders, and CAOs regarding the automated purchase card function.
- f. ESB will maintain and update the ADB Purchase Card Processing System - User Guide found at <http://www-isb.cit.nih.gov/dbaspcard.htm>. It can also be accessed on <http://www.nih.gov/od/olao/oa> under APurchase Cards®.

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5. Office of Financial Management (OFM)

- a. OFM will receive a monthly automated consolidated report of all CAO balances. The automated report is considered the billing invoice. Payment is made to US Bank according to the Prompt Payment Act provisions for the amount due on the individual cardholder's statement(s) of transactions.
- b. OFM will complete the "I.M.P.A.C. Program Notification of Invoice Adjustment" form which details the information that must be provided if any portion of an invoice is reduced and not paid.
- c. OFM will maintain a list of each cardholder and CAO.
- d. OFM will contact cardholders and CAOs if disputes remain outstanding more than 60 days.

G. PROCEDURES

1. How to Obtain a Purchase Card

- a. The first step is to attend the mandatory training class. The training schedule is available via the OLAO acquisition website at <http://www.nih.gov/od/olao/oa> and the OLAO Acquisition Newsletter. Once the training has been completed you can submit the application (provided in the class or a memorandum containing the same information as in the application) by faxing it to the number on the application. Or you may e-mail your application information to Creditcard@OD.NIH.GOV or the global listing "Help, Creditcard". **Please use only one means of submitting your application to avoid duplication. Also, be sure your application is routed through your IC Coordinator if required.** Prior to actual receipt of the purchase card, you will receive a letter containing your Delegation of Authority. The APC has authority delegated from the HCA to grant cardholders their delegation to purchase up to and including \$2,500. For amounts over \$2,500 see Paragraph c. below.

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- b. Each prospective cardholder and CAO must verify that they have read, understand and agree to abide by the "Internal Procedures for Use of the VISA I.M.P.A.C." by signing the "Terms and Conditions For Use of I.M.P.A.C." certification prior to leaving the training class. Without this certification on file, authority will not be granted to either a cardholder or a CAO.
- c. Requests for Delegation of Authority above the micro-purchase limit must be submitted by the CAO on a Form NIH 2604 "Delegation of Acquisition Authority" (<http://forms.cit.nih.gov/adobe/procurement/NH2604.PDF>), through the IC contact, if applicable, or Administrative Office, to the APC. The APC will request the Delegation of Authority from the HCA. The NIH 2604 form must include the single purchase limit being requested and a copy of the cardholder's Level 1 Certification. If the cardholder does not have Level I Certification, interim authority may be granted if the cardholder has completed either the Contract Formation I course or the Acquisition Planning II course. **Note: When a cardholder has authority over \$2,500, the CAO must also have Level I authority over \$2,500.** Cardholders with a Single Purchase Limit of \$25,000 and above are restricted to the centralized and decentralized purchasing offices.
- d. Both the cardholder and CAO must have separate access to the ADB to complete all of the required purchase card functions. In order to gain access the cardholder and CAO must request CIT ACCOUNT INITIALS and ADB user IDs from the Enterprise Systems Branch (ESB), CIT, unless they already have direct access to the ADB and can perform the registration function (REG) under the ADB. In addition, cardholders and CAOs need to assure that their computer system is able to interface with the ADB. Most computers require the installation of 3270 emulation software. For further information contact your IC LAN Administrator or ESB at 2-6070.
- e. The purchase cards are mailed from US Bank directly to the cardholder at his/her office. When the cardholder receives the card, he/she must immediately call US Bank at 1-800-227-6736 in order to activate the account. At that time, the cardholder must provide the card number, the 5 digit ZIP code plus the 4-digit add-on identifier (ZIP+4), the single purchase limit, and his/her work telephone number.

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f. If the cardholder does not receive his/her card within 20 working days after the application or memorandum was submitted to SAPB (Simplified Acquisition Programs Branch), the cardholder must notify the APC either via email to Creditcard@OD.NIH.GOV, the global listing "Help, Creditcard", or by calling the Credit Card Helpline at (301) 435-6606.

2. Dollar Limits Associated with the Card

Each purchase card is subject to a Single Purchase Limit, a Billing Cycle Purchase Limit, and a Billing Cycle Office Limit. Neither cardholders nor merchants are allowed to exceed the single purchase limit or split the purchase in order to accommodate the purchase card limit.

3. Changing Card Limits

On occasion, it may be necessary to raise or lower both the CAO's Billing Cycle Office Limit and/or the cardholder's Billing Cycle Purchase Limit or Single Purchase Limit. The CAO or IC Coordinator should submit the requested change either via e-mail to Creditcard@OD.NIH.GOV, the global listing "Help, Creditcard", or by faxing it to (301) 496-5212. **The preferred method is via e-mail.**

4. Changing the Can Number or Object Class Codes

Changes to a cardholder's default CAN or OC codes are submitted by the CAO or the IC Coordinator either via e-mail to Creditcard@OD.NIH.GOV, the global listing "Help, Creditcard", or by faxing it to (301) 496-5212. **The preferred method is via e-mail.**

5. Contacting US Bank for Information

US Bank should be contacted only to report a LOST OR STOLEN card (see Paragraph H2), to verify tax exempt status (see Paragraph G6f(3)), or resolve a disputed/questioned item (see Paragraph G9). The cardholder should also notify the Purchase Card Program by calling the PC Helpline, (301) 435-6606 and leave a message about the lost/stolen card. They must notify the Police Branch of the NIH Division of Public Safety if the card was part of property that was stolen. All other questions should be directed to the CAO, AO, or the APC.

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6. Cardholder Procedures Required to Make a Purchase

(See Appendix 3 for a one page synopsis of procedures for requirements \$2,500 or less).

a. Determine whether the supplies or services are available from a priority source of supply (see Paragraph E3). In many instances, oral ordering mechanisms may be utilized to obtain supplies or services from these sources (see Paragraph E8). If the requirements are not available from one of these sources, the cardholder may obtain the item from an open market source using an oral ordering mechanism.

b. The cardholder must ensure that all clearances required by "NIH Manual 26307-3/6307-3, Special Clearance and Other Acquisition Procedures" (<http://www1.od.nih.gov/oma/manualchapters/contracts/6307-3/>), are obtained from the designated clearance office prior to placing the order. A copy of the clearance(s) must be placed in the monthly acquisition file (see Paragraph G6h).

c. The cardholder must ensure that the supplies or services can be described in sufficient detail so that the parties to the agreement have a clear understanding of what is being acquired. Some requirements, because of their complexity, may not be suitable for purchase using the purchase card and require a written statement of work or a written Purchase Order.

d. The cardholder must determine price reasonableness. Micro-purchases may be made without securing competitive quotations or doing any type of value analysis if the prices are considered reasonable. If a cardholder, through prior experience (e.g., comparison with prices paid previously for the same or similar items, familiarity with the supply/service based on frequent purchasing, etc.), knows that the proposed price is fair and reasonable, he/she does not have to do any further price evaluation or analysis. However, if the cardholder suspects or has information to indicate that the price may not be reasonable, or is purchasing a supply/service for which no comparable pricing information is readily available, action should be taken to verify that the price is reasonable through one of the methods described in the Delegated Acquisition (DELPRO) Reference Guide, Part II, Pages 20-22. (The Delegated Acquisition Reference Guide can be found

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at <http://www.nih.gov/od/olao/oa/> under "Acquisition Guides" or "DELPRO".)

When required, the official acquisition file must contain an explanation of how price reasonableness was determined.

e. The cardholder must follow the procedures outlined in Parts 5, 8, 12 and 13 of the FAR to procure requirements greater than \$2,500. Orders above \$2,500 should be statutorily reserved for small businesses or otherwise justified. Appendix 4 provides a summary of these requirements.

f. To place the order and accept delivery the following procedures will be followed:

- (1) Confirm that the vendor will accept the purchase card.
- (2) Identify yourself as an NIH employee. Determine whether or not the vendor has an NIH BPA, and if so, remind the vendor that the negotiated discount rate is to be applied.
- (3) Advise the merchant that the purchase is tax exempt. NIH's State of Maryland Comptroller of the Treasury Sales and Use Tax Exemption Certificate Number is 30005004. When a vendor will not grant a tax exemption without a certificate, US Bank can be contacted on the 800 number on the back of the card. US Bank will verify the tax exempt status of the card and note to the merchant that a state tax exemption certificate/agreement is on file. Also, individual state tax exemption letters can be found on <http://www.fss.gsa.gov/services/gsa-smartpay/taxletter>.
- (4) Ensure that the merchant does not charge a "premium" for the use of the card. If a merchant attempts to impose a premium or additional charge on the purchase, remind them that premiums/surcharges are prohibited by VISA.
- (5) Confirm that the vendor will not charge the purchase card before the item is shipped or the service is performed so that receipt may be certified on the monthly SOA. If the vendor cannot guarantee delivery and billing within 60 days of placing the order, the cardholder should not place the order (i.e. backorders are not authorized). The purpose of this rule is to assure that all items that appear on the monthly automated SOA have been received so that they can be certified for payment.
- (6) Pick-up and/or delivery:
 - (a) Confirm that delivery can be made directly to the ordering office.
 - (b) Instruct the vendor to include the following information on the shipping document or packing slip:

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1. Cardholder name and organizational abbreviations;
2. Appropriate delivery address (including building designator and number);
3. Cardholder telephone number; and
4. The term "Purchase Card."

Note: Instruct the vendor not to put the purchase card number on the shipping label.

(7) When a telephone order is placed for pickup at a merchant's facility, the cardholder may designate a staff member to pick up the order. If someone other than the cardholder picks up the order he/she should sign as having received the item(s).

(8) If the shipping destination is different from that of the cardholder, an official in the destination office must confirm receipt and acceptance (i.e., that it is the item ordered and that it is in good condition) of the requirement by signing and dating the shipping document and forwarding it to the cardholder.

g. Any time the purchase card is used, whether it is done over-the-counter or by telephone, the monthly cumulative purchase log (Record of Purchase Card Orders, Appendix 2) or the 3270 ADB Purchase Log must be annotated and retained in a monthly acquisition file. You may also use NIH's web based Purchase Card Log at <http://www.cit.nih.gov/home.asp>, or the Intramall log at <http://intramall.nih.gov>. When a purchase is made over-the-counter, the cardholder must also obtain a customer copy of the charge slip. Cardholders who require a Form NIH 1861-1, Purchase Request, or RQM from requester may annotate the NIH 1861-1 or the RQM on the Record of Purchase Card Orders Log and cross reference the information between the purchase request/RQM and the purchase log so that the information is not duplicated.

h. The cardholder must establish a monthly acquisition file to maintain all documents associated with the purchase card orders. This includes charge slips, credit slips, cash register receipts, packing slips, "I.M.P.A.C. Cardholder Statement of Questioned Items" form, required clearances, Justifications of Need for personal appeal items, and all documentation of regulatory compliance for purchases greater than, equal to and less than \$2500 (see Appendices 3 and 4).

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You can access the "I.M.P.A.C. Cardholder Statement of Questioned Item" form at <http://forms.cit.nih.gov/adobe/procurement/IMDISPUT.PDF> or through the ADB by depressing the F3 key for one copy and F5 key for two copies after you have inserted the dispute information.

7. Reconciliation

Reconciliation is the process of reviewing the purchase transactions in the ADB to determine if the purchase is correctly recorded, adding in a description of the supply or service (if applicable), and if necessary, changing the default description, default CAN and/or the default OC code, and lastly, depressing the F4 key certifying that the purchases made are for official Government purposes and have been received.

Reconciliation must be done at least once a month by each cardholder. However, daily reconciliation is an option for those cardholders who buy more frequently and want to reconcile throughout the month.

a. Daily Reconciliation

The newest transactions will appear first on the ADB screen, three at a time. The purchase transactions may be reconciled (received) immediately. Upon completion of the reconciliation, the cardholder must depress the F4 key to ensure that all of the purchase transactions for the month have been certified for CAO review and approval. (Be sure to make note on your log of which transactions you have completed reconciling. Then when newer transactions come in, you can begin reconciling them from this point.) If additional purchase transactions come in, nothing the cardholder has already reconciled will be affected. However, if additional purchase transactions come in or the cardholder changes the existing data after the F4 key has been depressed, the certification of the original transactions will be nullified and the cardholder must reconcile the new actions and again depress the F4 key to ensure certification for CAO review and approval. The Review Completed Status (indicated by the statement at the bottom of the screen "Cardholder review has been completed") will be reset each time the cardholder and/or CAO have completed reconciliation. The cardholder must still perform the end of the month review by the 13th of the month to ensure that all

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purchase transactions for that cycle's invoice have been reviewed. (If this date falls on a Holiday or a Weekend, the due date is the next business day.)

Note: When you use the ADB electronic log, the ADB matches the purchases on the log with the same purchase on the invoice.

b. Monthly Reconciliation

The billing cycle ends on the 5th of every month. For example, all of the purchase transactions received from US Bank by the 5th of September will apply to the September invoice. Any purchase transactions received from US Bank from the 6th of September through the 5th of October will apply to the October invoice. The invoice is then downloaded from US Bank to the ADB on the 6th of the month and, depending on when the 6th falls in that particular month, all of the purchase transactions may not appear in the cardholders account in the ADB until as late as the 9th of the month. The cardholder must complete reconciliation by the 13th or his/her card could be suspended. The CAO has until the 18th to complete his/her review and approve the cardholder's purchase transactions. (If this date falls on a Holiday or a Weekend, the due date is the next business day.)

When the reconciliation is complete and another CAN is used, the original obligation against the default will be credited and the new information will be used. Basically, an obligation and deobligation could occur on a daily basis depending upon the CAN used during a daily reconciliation.

The CAO must reconcile the cardholder's purchases monthly by the 18th of each month. Failure to do so will result in the cardholder's account being suspended. Mandatory reconciliation is necessary to ensure the high quality of NIH's purchase card program.

On or about the 16th of every month an e-mail REMINDER to complete final reconciliation is sent out to the cardholders and CAOs. There will be no individual messages sent to the cardholders regarding reconciliation.

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Failure to reconcile prior to the 20th of the month will result in OFM paying the bill using the default CAN assigned to the individual purchase card account. After the 20th of the month, default CAN(s) can only be changed manually through coordination with the IC Administrative Officer and OFM. (This also applies to cardholder(s)/CAO(s) who received extensions beyond the 20th of the month) This situation should be very rare. The Government Accounting Section, OFM must be provided with the following information: (1) a written, signed justification stating the reason why the corrections were not made during the reconciliation period; (2) the reason for the correction(s) and (3) the total amount of charges to be moved from the default CAN and the default sub object class to the appropriate CAN and sub object class.

Unless notification of the completed reconciliation is provided either by a phone call or by E-mail, the cards are suspended until the reconciliation has been completed and the Purchase Card Program is notified. If the card is suspended, it takes US Bank 24 hours from verification to reinstate the card privileges. A suspension e-mail message will be sent to the appropriate IC Coordinator identifying the cardholders and CAOs who have been suspended for a specific month. Extensions due to vacations, illnesses or other extenuating circumstances can be granted provided they are requested in writing via E-mail. The extension request must be in writing and submitted to Creditcard@OD.NIH.GOV or the global listing "Help, Creditcard". A response to the request will be processed within 24 hours of receipt. The policy is that unless an extension has been requested for reconciliation and granted, the card will be suspended if reconciliation has not been performed by the established cut-off dates.

c. Suspension Penalties

First Suspension: Once the cardholder account is suspended, the cardholder and CAO must complete the reconciliation for the month in which the card was suspended. The cardholder must respond to the person who sent the original suspension message via E-mail that the reconciliation has been completed. Upon notification and verification by the Purchase Card Program that the reconciliation is complete, the purchase card will be reinstated. Cardholders should anticipate waiting at least 24-48 hours before the card is reactivated.

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Second Suspension: If the cardholder account has been suspended twice during the past twelve months, the account will be suspended for a period of **two weeks after reconciliation is completed** and verified.

Final Suspension: If the unreconciled account results in a third suspension during the past twelve months, the cardholder account may be canceled. Once the account is canceled, the cardholder must wait one year before a new account is opened. Prior to the cardholder receiving a new account, he/she must retake the mandatory training.

8. Cardholder Procedures after Purchase

- a. When the items are received, annotate the actual receiving information on the shipping document and/or the Record of Purchase Card Orders Log.
- b. On or about the 6th of every month an e-mail notice will be sent to the cardholders and CAOs reminding everyone of the due dates to complete the reconciliation process as described in Paragraph G7 above.
- c. Purchase transactions are posted daily to the cardholder's account. The daily posting of the purchases against the default CAN and Object Class Code (OC code) now serve as the obligation amount. By the 9th of each month the cardholder will have received all the purchase transactions to be reconciled for that month via the automated SOA through the Administrative Data Base (ADB). The cardholder must follow the procedures outlined in Chapter IV of the, "The Administrative Data Base Purchase Card Processing System - Users Guide" at <http://www-isb.cit.nih.gov/dbaspcard.htm>. The monthly transactions must be processed/reconciled no later than the 13th of the month. These procedures include:
 - (1). The review of each purchase/credit on the automated SOA to verify its accuracy.
 - (2). Checking the Fiscal Year Common Account Number (FYCAN) and Object Class (OBJ Class) and entering the appropriate data if it is different than the default FYCAN and/or OBJ Class. (Object Class Codes are listed and described in the NIH Accounting Manual. For copies of this manual contact

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- your Administrative Officer.)
- (3). Entering a brief description of the items purchased in the description field (DESCR) if the generic description generated by the ADB is not adequate.
- (4). When appropriate, processing a "I.M.P.A.C. Cardholder Statement of Questioned Item (CSQI) Form". You can access the "I.M.P.A.C. Cardholder Statement of Questioned Item" form through the NIH Electronic Forms Users' Group at <http://forms.cit.nih.gov/adobe/procurement/IMDISPUT.PDF> or after completion of the item to be disputed in the ADB by depressing the F3 key for one copy or the F5 key for two copies of the CSQI.
- d. The cardholder must then forward the original supporting documentation, e.g., clearance approvals, charge slips, credit slips, packing slips, "I.M.P.A.C. Cardholder Statement of Questioned Item" form, Record of Purchase Card Order Log, etc., to the CAO. If for some reason the cardholder does not have documentation of the transaction, he/she must attach an explanation that includes a description of the item, date of purchase, merchant's name and why there is no supporting documentation.
- e. If credits for previously disputed items are not on the automated SOA, the customer copy of the sales slip should be retained until the transaction appears on the next SOA. If these credits do not appear within the next SOA, the cardholder must complete an I.M.P.A.C. Cardholder Statement of Questioned Item Form, attach a copy of the credit slip and forward the documentation to the US Bank **within 60 days** of the original invoice date.
- f. If the cardholder will be absent from his/her office for more than 4 days after the automated SOA is received, all original documentation must be forwarded to the CAO who will note the absence and process the automated SOA. Upon the cardholder's return, he/she must log onto the ADB and review each purchase/credit. Failure to review and/or process the automated SOA in a timely manner will be grounds to suspend/terminate the purchase card.
- g. **Any type of equipment or property should be reported to the IC property custodian.** For Sensitive Equipment (accountable regardless of cost) and capitalized equipment/accountable personal property items (\$25,000 or more) (Appendix 6), either enter the data in the ADB Property Transaction Request Screen as outlined in the ADB Purchase Card Processing System -

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Users Guide at <http://www-isb.cit.nih.gov/dbaspcard.htm>, or submit a Property Transaction Request form to the appropriate IC Property Official for decal and entry into the Property Management Information System. The ADB Property Transaction Request Screen will automatically be generated for each entry that is assigned a pre-defined OBJ Class (31.XX) during the reconciliation process. The cardholder will enter the appropriate data and the ADB will automatically update the Property Data Base and send the request to the IC Property Manager. The cardholder is responsible for notifying their IC Property Custodian when property is ordered and "due in". (An item classified as Sensitive Equipment that does not fall within a pre-defined OBJ Class must be entered manually into the Property Data Base. To accomplish this the cardholder must complete a Property Transaction Request form and forward it to the IC Property Manager.)

9. Cardholder Procedures for Questioned Items and Disputes

A dispute is a questionable transaction that is posted to your Cardholder Statement of Account (monthly invoice). There are several reasons why a dispute might occur. Some examples are: (1) Merchandise/Service Not Received B The account has been charged for a transaction, but the merchandise or service has not been received. (2) Merchandise Returned B The account has been charged for the transaction, but the merchandise has since been returned. (3) Unauthorized Purchases B The charge for the merchandise has not been authorized. (4) Duplicate Processing B The transaction represents a multiple billing to the account and only one charge from the merchant has been authorized. (5) Unrecognized B The charge is not recognizable. A copy of the sales draft must be reviewed by the cardholder to verify that the transaction has occurred. The entire list of valid dispute codes is identified in Paragraph a. below.

There are four charges you **cannot** dispute: foreign exchange rates, taxes, shipping and handling, and convenience checks.

a. Whenever an incorrect charge is indicated on the automated SOA the cardholder must immediately seek to resolve the problem with the vendor. However, the cardholder should reconcile the current automated SOA as though it were correct since the credit will normally be issued on the following months automated SOA. If the problem cannot be resolved the cardholder must contact

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US Bank by completing an "I.M.P.A.C. Cardholder Statement of Questioned Item" form. (You can access this form through the NIH Electronic Forms Users' Group at <http://forms.cit.nih.gov/adobe/procurement/IMDISPUT.PDF>.) Or after the completion of the item to be disputed in the ADB by depressing the F3 key for one copy or the F5 key for two copies, indicating the nature of the problem (i.e., wrong amount charged, did not receive the item, duplicate charges, and credits due) and forward the original to:

US Bank
I.M.P.A.C. Government Services
P.O. Box 6346
Fargo, ND 58125-6346
Fax (701) 461-3466

A listing of the valid Dispute Codes needed to complete the "I.M.P.A.C. Cardholder Statement of Questioned Item" form follows:

- D1 - Unauthorized Mail Phone Order
- D2 - Duplicate Processing
- D3A - Merchandise or Service Not Received, but Account Charged
- D4 - Merchandise Returned
- D5 - Credit Not Received
- D6 - Alteration of Amount
- D7 - Inadequate Description or Unrecognized Charge
- D8 - Copy Request
- D9A - Services Not Received, but Account Charged
- D10 - Not as Described

A copy of the "I.M.P.A.C. Cardholder Statement of Questioned Item" form is to be included in the official acquisition file.

(Note: Disputes should be submitted to US Bank as soon as it is identified as a discrepancy, i.e., the vendor refuses to correct it, but **no later than 60 days** after the appearance of the item on the automated SOA.) If a cardholder does not dispute a purchase within 60 days then it is too late to dispute the charge and the government will not receive a credit for the purchase.

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b. If items purchased with the purchase card are found to be defective, or if services purchased are found to be unsatisfactory, the cardholder has the responsibility to obtain replacement or correction of the items/services. If the merchant refuses to replace or correct the faulty item/service, the purchase will be considered to be in dispute. Items/services in dispute are to be handled in the same manner as billing errors. The dispute or error should be indicated on the cardholder's monthly automated statement and a "I.M.P.A.C. Cardholder Statement of Questioned Item" form should be prepared and forwarded to US Bank. US Bank will credit the transaction until the dispute is resolved.

H. SPECIALIZED PROCEDURES

1. Security of the Purchase Card

The cardholder is responsible for the security of the Purchase Card and will be personally liable for its misuse. If the card is lost, the cardholder must notify US Bank immediately per guidance set forth in the paragraph below.

2. Lost/Stolen Cards

a. NIH will not be liable for any unauthorized use of the Purchase Card, however, the cardholder may be held negligent and administratively accountable to NIH if the loss is not reported immediately, or as soon as the cardholder is aware of the card's loss.

b. **Telephone Notification:** Should the card be lost or stolen, it is important that the cardholder notify US Bank immediately at the following numbers 24 hours/day:

1. Inside the Continental United States - 1-800-227-6736.

2. Outside the Continental United States - Call collect (701) 461-3466.

The cardholder must also notify the Purchase Card Program by calling the PC Helpline, (301) 435-6606 and leave a message about the lost/stolen card. Additionally, the cardholder must notify the Police Branch of the NIH Division of Security Operations if the card was part of property that was stolen at NIH.

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c. **Written Notification:** The call to US Bank must be followed up with a formal written notice via e-mail. The cardholder must also notify the CAO and then either the cardholder or the CAO must notify the Administrative Office/IC Coordinator and the APC of the lost or stolen card by e-mail to Creditcard@OD.NIH.GOV or the global listing "Help, Creditcard" within 5 working days. The report should include:

1. the card number;
2. the cardholder's complete name;
3. the date and location of the loss;
4. if lost/stolen, date reported to police (if applicable);
5. date and time US Bank was notified;

d. **Card Replacement:** A new card will be mailed within 7-10 business days of the reported loss or theft. The cardholder must notify the Purchase Card Program helpline at (301) 435-6606 on receipt of the new card so the account number can be changed in the ADB. This will enable the Purchase Card Program to link the old account number to the new account number so any outstanding purchases can be reconciled under the new account number.

3. Administrative Changes in Cardholder Status

a. Separation of Cardholder:

1. Before a cardholder transfers to another CAO (within a different IC), retires, resigns, or otherwise leaves NIH, the card must be turned in to the CAO for termination of the account. The CAO will notify the Administrative Office/IC Coordinator and email the APC at Creditcard@OD.NIH.GOV or the global listing "Help, Creditcard", who will notify US Bank. The APC will notify OFM of new cards issued and cards terminated on a monthly basis. When a cardholder transfers to another CAO within the same IC, there is no need to change the account number of the cardholder. The CAO must notify the APC via email at Creditcard@OD.NIH.GOV or the global listing "Help, Creditcard" with the new CAO assignment.

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2. Cardholders who intend to retire, resign, or otherwise leave NIH should cease using the Purchase Card 45 days prior to this date. If a monthly SOA is received and the employee is no longer available to complete the SOA, the monthly SOA will be reconciled by the CAO. The CAO is still responsible for reconciliation of the account until all of the outstanding purchases have cleared.

b. When a CAO transfers, it is the responsibility of the next highest CAO or AO in the organization to conduct the monthly CAO review of the cardholder's account until a new CAO is entered into US Bank's computer system.

4. Administrative Changes in Card Approving Official Status

To ensure timely processing of future CAO changes, all changes should include the cardholder's name, account number, ADB ID and node. The CAO change should also include the current CAO's name, ADB ID and node as well as the new CAO's name, ADB ID and node. Please ensure that the appropriate authority has been granted by CIT to the ADB IDs (cardholder or card approving official). Request submitted without the above information will cause a delay in processing your action. All future requests must be submitted prior to the 30th of each month to help ensure completion before the next billing cycle.

5. Convenience Check Policy and Procedures

a. Definitions

Convenience Checks: These checks may be used in place of the US Bank VISA purchase card under only two specific instances: (a) a one-time payment for Professional Service Orders (a.k.a. AS@ orders) in the event the professional is not yet registered for electronic funds transfer (see below); and (b) for patient related services, e.g., blood draws, lymphs, monos, apheresis, bone marrow aspiration, phlebotomy, and other procedures relating to health care patients.

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Electronic Funds Transfer: NIH began making all payments from the U.S. Treasury via Electronic Funds Transfer (EFT) in January 1998. EFT is defined as any transfer of funds by means other than paper. Automated Clearing House (ACH) is the primary system used to transfer payments directly into the accounts of vendors and others. The Debt Collection Improvement Act of 1996 (Public Law 104-134) mandates the use of EFT for all Federal payments.

Professional Service Order (PSO): A PSO is used to obtain services of professionals such as guest speakers and lecturers for seminars, workshops, meetings held to exchange scientific information, for basic research, applied research and development, or design, where specific tasks are required and no employer-employee relationship exists.

Professionals: These are individuals who perform professional services, engage in a vocation or occupation requiring advanced education and training, and involving intellectual skills, such as medicine, law, engineering, and teaching. These types of professionals usually belong to a professional society, and may require a license to practice.

Patient Services: These are blood draws, lymphs, monos, apheresis, bone marrow aspiration, phlebotomy, and other procedures relating to health care patients.

b. Background

NIH currently authorizes the use of SF44s and DELPRO Professional Service Orders (PSO) (a.k.a. AS@orders) to individuals in those instances where cash would have normally been required. However, it is recognized that the best interest of NIH (including compliance with applicable regulations) would be served if alternate methods could be adopted that would allow NIH to conduct business in specific instances (non-recurring) where EFT information is unavailable for specific vendors and the time constraints make it impractical to obtain this information in a timely manner.

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c. Establishment/Issuance of Convenience Checks

Convenience check accounts will only be established for those offices that issue SF44s and/or IS@orders. Accounts may be established and checks issued only in those instances where:

(1) A PSO is required and the individual does not have the appropriate EFT information registered with NIH. Convenience checks can be used on a one-time basis only while the vendor is applying for EFT. ACH/EIN data should be initiated at the time the first check is issued for the one time PSC.

(2) NIH is paying for patient related services, e.g., blood draws, lymphs, monos, apheresis, bone marrow aspiration, phlebotomy, and other procedures relating to health care patients.

The Single Purchase Limit (SPL) for the checks is up to \$2,500 (for each individual authorized to issue checks) and will be pre-printed on the checks. **In no instance will the SPL on the check be greater than the SPL authorized on the purchase card.**

NOTE: The convenience checks shall not be used for the following: (1) Government travel advances for employees or in lieu of the Travel Card; (2) if the vendor does not accept the Government Purchase Card or Purchase Orders; or (3) to pay an honorarium or a fee for service to a non-US citizen or a permanent resident alien who is not authorized for payment in accordance with the terms and conditions of his/her VISA. (For further information on this prohibition, please contact the Key contact for Fogarty issues in your respective Administrative Office).

To establish an account, a memorandum must be sent to the APC by the IC-s designated Coordinator or the IC Executive Officer requesting the establishment of the checking account for the cardholder. The request should describe how the checks will be used, the estimated usage (number of checks and dollars), and the desired single purchase limit.

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(1). Account Holder Responsibility

Upon receipt of the convenience checks, the account holder must secure the checks. The cardholder/account holder must follow all the procedures outlined in this policy, e.g., each check must be annotated on the monthly purchase log showing the date, the check number, payee, and the amount of the check; the duplicate check must be filed in the monthly acquisition file along with all supporting documentation.

If a convenience check is issued for a professional service the account holder must issue a signed copy of Appendix 5, AStatement for Recipients of Purchase Card Check Issued for a Professional Service Order@to the individual and a copy must be kept with the monthly log. In accordance with the Federal Tax Regulations all compensation for services aggregating \$600 or more during a calendar year must be reported to the IRS. In order to help the individuals accurately report this income the cardholder/account holder must complete this letter and provide it to the individual.

Honorariums are limited to \$200 per day unless advance approval has been granted in accordance with NIH Manual 1130, Delegations of Authority, Acquisition # 5, "Rates of Compensation (Honoraria) Under Professional Services Orders." Per diem for lodging and meals cannot exceed the Government rates for the area as established in the Federal Travel Regulations. Reimbursement for airfares may not exceed the cost for business/coach class (First Class travel is unallowable.) For further guidance on the general rules/requirements for PSOs refer to the Delegated Acquisition DELPRO Reference Guide, Part 3, page 14, dated 6/2001 on OLAO's homepage at <http://www.nih.gov/od/olao/oa> or call the Purchase Card Helpline at (301) 435-6606. Note, however, that PSOs issued and paid for using the convenience check mechanism are limited to the SPL cited on the check, not to \$3,000 as are the DELPRO AS@orders.

The account holder is responsible for reporting to the appropriate officials whenever a check has been lost or stolen. (Use the same procedures as in Paragraph H2).

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IMPORTANT: If the Professional Service is known to be of a recurring nature, i.e., the individual is expected to provide the same and/or similar services to NIH (whether in the same IC or not), the individual must be registered in the NIH Administrative Data Base (ADB) Vendor File with the appropriate EFT/ACH information. In subsequent visits, the requirement for the professional service must be processed using the DELPRO system's AS@type order. The AS@orders will be paid through the ADB and not with the convenience check.

(2). Card Approving Official Responsibility

The Single Purchase Limit (SPL) for the checks is \$2,500 and the CAO ensures that they are only issued for official Government business and that the cardholder follows the same procedures as outlined in this policy in Paragraph F(1). The review process should ensure that the checks are only used when it is determined that alternate methods of procurement and/or disbursement of funds are impractical.

6. Radioactive Materials

The cardholder may place all radioactive material orders **directly** with the vendor with the following instructions to the vendor:

- a. Radioactive material must be delivered to Building 21, Room 107 with the exception of NIEHS, Rocky Mountain Laboratory (NIAID), Phoenix Epidemiology and Clinical Research Branch (NIDDK), and Fort Detrick, Maryland. Cardholders at these locations must adhere to previously established procedures at their individual locations.
- b. The packing slip or shipping document must include the ordering Authorized User's name and Radiation Safety Branch (RSB), Division of Safety, ORS ID (clearance number). Contact 301-496-3277 to obtain a RSB clearance number.

The Cardholder will also adhere to the following procedures:

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- a. Do not place a duplicate order for the same material in the RAMOS system or place a duplicate Record of Call (ROC) against the vendor's Blanket Purchase Agreement (BPA).
- b. Do not include radioactive material and non-radioactive supplies on the same VISA purchase card order. When ordering both radioactive and non-radioactive items from the same vendor place two separate VISA purchase card orders. However, special discounted prices negotiated for the vendor's BPA shall also apply to purchase card orders.
- c. Standing orders, which are acquisitions that require multiple delivery dates, are prohibited for all purchase card acquisitions. Therefore, standing orders for radioactive material are not permitted when using the purchase card mechanism.
- d. Any other requirements established by the RSB for the acquisition of radioactive materials must be observed.

The CAO must ensure that the cardholder's responsibilities are adhered to when purchasing radioactive materials. The website for the Radiation Safety Branch is <http://www.nih.gov/od/ors/ds/rsb>.

7. 60 Day Time Limitation for Services

NIH has ten NIH-wide equipment maintenance contracts. The list can be found on the OLAO website, <http://www.nih.gov/od/olao/oa>. The purchase card may be used to pay for maintenance contracts, agreements or extended warranties on a monthly or bi-monthly basis. It can be used to pay the monthly service fees for the rental of cellular phones, beepers and palm pilots. Check website: <http://www.cit.nih.gov/dnst/DNSTweb/cellular.htm>.

The purchase card **may not** be used for maintenance contracts, agreements or extended warranties including request for services where the period of performance exceeds 60 days. (This is because cardholders are only entitled to dispute charges up to 60 days from the date of the invoice. If the NIH Purchase Card Program allowed the payments to be made more than 60 days in advance, the cardholder **would not** be able to dispute the process.)

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Make sure that the company sends all billing information to you and not the NIH Accounts Payable Section. Monitor the payment to make sure the company is not double billing.

8. Funds Control

- a. At the beginning of each fiscal year funding is often uncertain, and therefore it is essential that cardholders check with the CAO to assure that funds are available before making any purchases.
- b. The primary fund control method will be the daily posting of purchases from US Bank into the ADB. Once the purchases are reconciled from the default CAN to the correct CAN, the obligation is reversed and a new one is issued in the Accounting System overnight. If the ADB Log is used, the purchases that are entered are automatically obligated in the Accounting System under the correct CAN so there will not be a need, unless a different CAN is required, to change the CAN. Whichever Record of Purchase Card Order Log is used, there will be an obligation in the Accounting System for each purchase and when the invoice is paid each month, the purchases are reflected in the Accounting System as disbursements.

9. Pre-Obligation Procedures for the End of the Fiscal Year

In August and September, yearly updates can be found at <http://www.nih.gov/od/olao/oa/purchases/index.html>.

I. MANAGEMENT CONTROLS

The purpose of this manual issuance is to provide NIH employees guidance in the use of the I.M.P.A.C. Purchase Card. Designation of an individual to be a cardholder and/or Card Approving Official (CAO) is an IC prerogative, subject to the delegation of authority being approved by the Head of the Contracting Activity, as long as the IC complies with the training, certification, and other provisions of this manual. ICs may supplement this document to provide further guidance for their cardholders, CAOs, and Administrative Offices.

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1. Office Responsible for Reviewing Management Controls Relative to this Chapter

The Division of Acquisition Programs (DAP), Office of Logistics and Acquisition Operations, has operational responsibility for this NIH Manual.

2. Frequency of Review: On-going review

Changes to Purchase Card Policy and Procedures will be sent by an NIH list serve to all Cardholders and Card Approving Officials. The changed policy and/or procedure will be posted within a week on the website:

<http://www.nih.gov/od/olao/oa/>.

3. Method of Review

DAP evaluates changes necessitated by changes to the Federal Acquisition Regulation, the General Services Administration, US Bank, or requests from the IC Purchase Card Coordinator's Committee. DAP makes appropriate changes as needed.

4. Review Reports

DAP sends reports to the Associate Director for Administration upon request.

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Appendix 1

**Unauthorized Purchases List
As of January 31, 2002**

The following is a list of all purchases that may not be made using the Government Purchase Card unless pre-authorized by the Merchant Activity Code encoded into the purchase card. (This list is regularly updated. The latest version is available at <http://www.nih.gov/od/olao/oa/purchases/unauthorized.html>)

Questions may be directed to the Agency Program Coordinator (APC.)

- a. Under no circumstances will the Government Purchase Card be used for cash advances - the Government Purchase Card is not authorized for cash advances through a bank teller or ATM machines.
- b. Any item intended for personal convenience or consumption.
- c. Rental or lease of motor vehicles, trailers, land or buildings. (It can be used to rent meeting facilities if authorized).
- d. Cannot be used as a "calling card" for telephone calls (such as business calls while away from the office). EXCEPTION: It can be used to pay the monthly service fees for the rental of cellular phones, beepers and palm pilots. Check website: <http://www.cit.nih.gov/dnst/DNSTweb/cellular.htm>.
- e. Travel (including hotels, entertainment or meals). (This restriction is necessary because of the GSA travel card and the different accounting and reporting requirements for travel.) EXCEPTIONS : 1.) Official entertainment as outlined in NIH Policy Manual Issuance 1160-1, "Entertainment" is authorized to be procured using the Government Purchase Card if the procedures outlined in 1160-1 have been followed. 2.) The Government Purchase Card can also be used to procure METRO Fare Cards.
- f. Memberships in organizations or clubs for individuals. (Memberships for NIH organizational components are authorized.)

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- g. The Government Purchase Card does not replace the SF-149, U.S. Government National Purchase Card, used by the Interagency Fleet Management System. Those involved in GSA's Fleet Management program using the SF-149 for purchases of fuel, oil, services, maintenance and repair of Government-owned or leased vehicles, are not to use the Purchase Card in lieu of the SF-149 for those same purchases.
- h. Construction (Unless authorized by DES.)
- i. Architectural and Engineering Services (Unless authorized by DES.)
- j. Controlled Substances. EXCEPTIONS: 1.) The Clinical Center Pharmacy is the only organization authorized to use the purchase card for controlled substances and DEA regulated chemicals for human use. 2.) The Veterinary Resources Program Pharmacy is the only organization authorized to use the purchase card for controlled substances and DEA regulated chemicals for non-human use. 3.) Other off-site locations may be authorized to make such purchases in accordance with NIH Manual Issuance 1345 and licenses granted by the Drug Enforcement Agency.
- k. Safety Glasses (For safety glasses, contact OMS unit in Bldg 13, at extension 6-9278 for NIH Form 29-2 "Request for Safety Glasses". It is also available at http://forms.cit.nih.gov/adobe/procurement/NH29_2.PDF)
- l. Bottled water for human consumption (Drinking Water). Contact Safety Operations Section, ORS (301) 496-2346.
- m. Maintenance contracts or agreements where the period of performance exceeds sixty (60) days. The purchase card may be used to pay for maintenance contracts or agreements on a monthly or bi-monthly basis. (This restriction is regulated by VISA which only allows cardholders 60 days to dispute any action).

FOR OPEN MARKET PURCHASE ORDERS - between \$2,501.00 and the Simplified Acquisition Threshold:

- n. If the product being procured is not considered a Domestic End Product under the Buy American Act.

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Appendix 2

Record of Purchase Card Orders

Instructions: Use a form of your choice to capture the following information. There are multiple logs created for this purpose: The 3270 ADB Purchase Log, the NIH log at <http://datatown.nih.gov/ADBWEB>, and the Intramall log at <http://intramall.nih.gov>. A computerized spreadsheet may be substituted provided that it contains all the required information listed below. Use the information to document orders placed over the counter or by telephone that will be paid for using the Purchase Card. Reconcile the information with your monthly SOA, sign and date the form, and submit it with the SOA to the CAO.

Month: _____ Page ____ of ____ Pages

Name of Cardholder: _____

Office Symbol/Telephone Number: _____

Line #

Date of Purchase

Name and Telephone Number (or Address) of Supplier

Description of Supplies or Service

Item Required For

CAN Number

Object Class Code

Qty

Unit of Issue

List Price (Per Unit)

NIH Unit Price

Total Price

Date Delivered

Amount Billed

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Signature of cardholder (Sign in Ink):_____

Signature of CAO (Sign in Ink):_____

All mandatory sources have been checked. (FAR 8.001)

Month:_____ Page ____ of ____ Pages

Name of Cardholder:_____

Office Symbol/Telephone Number:_____

Purchases Above the Micro-purchase Threshold (\$2,500)

Line Item Number

Vendor Confirmation Order Number

Clearance Needed

Sensitive/ Accountable Property

Shipping & Handling Charges (i.e. Dry Ice)

Mandatory Sources checked

Small Business (If NO -Justification Required)

NAICS Codes

Competitive Procurement (Minimum of three quotes - If NO - Sole Source

Justification required)

Vendor 1 Name & Bid

Vendor 2 Name & Bid

Vendor 3 Name & Bid

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Appendix 3

Purchase Card Procedures for Micro-Purchases

1. Determine Need.
2. Define requirement in enough detail so that both parties have a clear understanding of what is being purchased
3. Ensure that the total order is for an amount equal to or less than \$2,500; splitting orders is not permitted.
4. Ensure requirement is not on the Unauthorized Purchases List and that the list of priority (mandatory) sources has been checked. (Unauthorized Purchases List - Appendix 1, and the list of priority sources - Paragraph E3.)

[If a priority source was available but the award was not made to the priority source, document the file with the reason(s) for not awarding to the priority source. [FAR Section 8.001]]
5. Ensure all required clearances are obtained in accordance with NIH Manual 26307-3/6307-3 "Special Clearance and Other Acquisition Procedures" prior to placing the order (Paragraph G6b).
6. Confirm that the vendor will:
 - a.) accept the purchase card (Paragraph G6f(1));
 - b.) if a BPA vendor, honor the discount negotiated on the BPA, BPA listing available at <http://silk.nih.gov/public/aqd1yvy.@www.bpa.report.dsncc>
 - c.) not charge tax (Paragraph G6f(3));
 - d.) not charge a premium to use the card (Paragraph G6g(4)); and
 - e.) not charge for the purchase before it is shipped (Paragraph G6f(5)).
7. When placing the order:
 - a.) determine that the price is reasonable (Paragraph G6d); and
 - b.) confirm the address where the items are to be picked-up from or delivered to (if delivered, provide the name of individual to receive the item and the shipping address) (Paragraph G6f(6)).

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8. Record the purchase on the Purchase Card Orders Log (Paragraph G6g).
9. File all documentation received (clearances, documents from the vendor, etc.) in the monthly acquisition file (Paragraph G6h).
10. Annotate actual receiving on the shipping document and the Record of Purchase Card Orders Log (Paragraph G8a).
11. At the end of the Billing Cycle:
 - a.) reconcile the automated Statement of Account (SOA) no later than the 13th of the month and forward a copy of the automated SOA and the monthly acquisition file to the Card Approving Official (Paragraph G7); and
 - b.) if required complete the I.M.P.A.C. Cardholder Statement of Questioned Item form and forward it to US Bank (Paragraph G9a).

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Appendix 4

**Purchase Card Procedures for Items Greater
Than The Micro-Purchase Threshold (\$2,500)**

General Information: All documentation that is required for the procurement, i.e., sole source justifications, brand name justifications, dissolution of the small business set aside, FAR provision 52.219-1, etc. are to be attached to the specific purchase card action and filed in the official acquisition file. This Appendix provides a summary of the FAR requirements as outlined in FAR Parts 5, 8, and 13. Although the Appendix has tried to list all the requirements for purchase card orders above the micro-purchase threshold it is the responsibility of the Contracting Officer (cardholder) to ensure that all the regulatory requirements pertaining to each order have been complied with and documented adequately.

- A. Open Market Purchase Orders - between \$2,500.01 and \$25,000:
1. Determine Need.
 2. Define requirement in enough detail so that both parties have a clear understanding of what is being purchased (Paragraph G6(c)). Ensure that the Purchase Description is adequate. [FAR Section 10.002 and FAR Subpart 12.202]
 3. Ensure requirement is not on the Unauthorized Purchase List and that the list of priority (mandatory) sources has been checked. [FAR Section 8.001]
(Unauthorized Purchases List - Appendix 1, and the list of priority sources - Paragraph E3)

If purchases are to be made from the list of priority (mandatory) sources ensure that the following requirements are complied with:

- a. If the purchase was made under a multiple award FSS schedule, document that at least three schedule price lists were reviewed. [FAR Subpart 8.404(b)(3)(i)]
- b. Explain "Best Value" decision, when other than the lowest price is selected. [FAR Subpart 8.404(b)(3)(ii)]

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[If a priority source was available but the award was not made to the priority source, document the file with the reason(s) for not awarding to the priority source. [FAR Section 8.001]]

4. Ensure that if this is an Information Technology (IT) purchase, the equipment is "energy star compliant" in accordance with NIH Manual 2802, "Energy Star Program Requirement and Procedures".
5. Ensure that all required clearances are obtained in accordance with NIH Manual 26307-3/6307-3 and documented in the file prior to placing the order (Paragraph F6b).
6. Ensure that the dollar amount is within your delegated authority. [FAR Subpart 1.602-1] Do not split an order to stay under a particular dollar threshold. [FAR Section 13.003(c)].
7. Ensure that the requirements of the Buy American Act are adhered to.
8. Record the vendor(s) contacted and quotes received. [FAR Subpart 4.803 (a)(5) and (10)]. (For a procurement greater than \$2,500 and less than or equal to \$25,000, a minimum of three quotes are required for the item to be considered to be awarded competitively. [FAR Subpart 13.104(b)])
9. Confirm that the vendor will:
 - a.) accept the purchase card (Paragraph G6f(1));
 - b.) if a BPA vendor, honor the discount negotiated on the NIH BPA; the BPA listing available at <http://silk.nih.gov/public/aqd1yvy.@www.bpa.report.dsncc>
 - c.) not charge tax (Paragraph G6f(3));
 - d.) not charge a premium to use the purchase card (Paragraph G6f(4)); and
 - e.) not charge for the purchase before it is shipped (Paragraph G6f(5)).
10. If less than three quotes were received, document the basis for determination of price reasonableness. [FAR Subpart 13.106-3]

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11. If the award was not made competitively, an adequate sole source justification must be documented for the purchase. [FAR Subparts 13.106 and 13.501(a)]
12. Ensure that there is an adequate justification for a Brand Name, make, or model if required. [FAR Subpart 11.104]
13. If the award was made to other than the lowest bidder document why the purchase price is advantageous to the Government. [FAR Subpart 13.106-1]
14. Ensure that a copy of the Small Business Representations and NAICS Code clause (small business set-asides) is documented. [FAR Subpart 19.303] The NAICS Codes can be found at <http://epic.od.nih.gov/naics/index.asp?from=search>.
15. Determine whether the merchant is classified as a small business or other than small business. The cardholder need only inquire and accept the merchant's self certification. (Complete FAR provision 52.219-1, Small Business Program Representations if the award is made to a small business.) If a purchase is NOT made from a small business the cardholder must document the reason for the dissolution of the small business set aside. [FAR Section 13.003 (b)(1)] The requirement for purchasing from small business does not waive the requirement to make purchases from the priority sources, when possible.
16. Incorporate the Drug Free Workplace Clause for awards issued to individuals. [FAR Subpart 23.505]
17. Incorporate the Service Contract Act wage determinations or exemption certification, when applicable. [FAR Subpart 22.1002-1]

B. Orders between \$25,000.01 and the Simplified Acquisition Threshold:

All of Paragraph A above; and items 18 and 19:

18. If from other than a small business, the file must contain an HHS-653 signed by SBS and C.O. and/or C.O. determination to withdraw small business set-aside. [HHSAR 319.501]

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19. The file must contain a copy of the FedBizOpps notice.

C. All Orders between \$2,500.01 and the Simplified Acquisition Threshold:

20. Record the purchase on the Record of Purchase Card Orders Log (Paragraph G6g).

21. File all documentation received (clearances, documents from the vendor, etc.) in the monthly acquisition file (Paragraph G6h).

22. Annotate actual receiving on the shipping document and the Record of Purchase Card Orders Log (Paragraph G8a).

23. At the end of the Billing Cycle:

a.) reconcile the automated Statement of Account (SOA) no later than the 13th of the month and forward a copy of the automated SOA and the monthly acquisition file to the Card Approving Official (Paragraph G7); and

b.) if required complete the I.M.P.A.C. Cardholder Statement of Questioned Item form and forward it to US Bank (Paragraph G9a).

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Appendix 5

**STATEMENT OF RECIPIENTS OF
PURCHASE CARD CHECK ISSUED
FOR A PROFESSIONAL SERVICE ORDER**

(in Lieu of IRS Form 1099-Misc)

Recipient's Name:

Address:

City/State/Zip Code:

SSN:

Check No.:

This is to acknowledge that the following service has been performed for NIH as follows:

Description of Service:

Date(s) of Service:

Compensation:

(1) Honorarium or Fee for Service:

(NTE \$200/day B unless advanced approval has been granted in accordance with NIH Manual 1130, Delegations of Authority, Acquisition #5, "Rates of Compensation (Honoraria) Under Professional Services Orders.")

(2) Per Diem:

(Daily Rate)

(3) Transportation:

TOTAL:

The Internal Revenue Service (IRS) requires the reporting of payment for Honorarium or Fee for Service identified as (1) above. For your information, the per diem (2) and transportation costs (3) have been annotated but are non-reportable to the IRS.

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Please note that this method of compensation is used for limited, non-recurring purposes. If it is anticipated that further services will be provided to any component of NIH, then you must complete the ACH Vendor/Miscellaneous Payment Enrollment Form (SF-3881) since Federal regulations require that payment be made electronically through Electronic Funds Transfer. The form and instruction are available from me upon request.

If you have any questions regarding this information, please contact me at (Phone No.).
Delegated Cardholders Name & Signature

Privacy Act Notification Statement**Government Authorization**

Section 301 of the Public Health Service Act, describing the general powers and duties of the PHS relating to research and investigation, and Section 402 of the Public Health Service Act, describing the appointment and authority of the NIH Director.

The Federal Tax Regulations mandate that all compensation for services aggregating \$600 or more during a calendar year be reported to the Internal Revenue Service (IRS). The IRS requires that payment be reported for Honorarium or Fee for Service identified on the form as (1) above. The Per Diem (2) and Transportation Costs (3) will not be reported to the IRS.

The Debt Collection Improvement Act of 1996 (Public Law 104-134) mandates the use of Electronic Funds Transfer (EFT) for all Federal payments. In January 1998, NIH began making all payments from the U.S. Treasury via EFT. EFT is defined as any transfer of funds by means other than paper.

Purpose of Information Collection

1) To obtain and pay consultants who participate in NIH conferences, workshops, evaluation projects and/or provide technical assistance at site locations arranged by contractors, and 2) to provide necessary reports related to payment to the IRS. This method of compensation is used for limited, non-recurring purposes. In order to help you accurately report this income, you must complete this form. Failure to complete the form will result in non-payment of services rendered. Automated Clearing

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House (ACH) is the primary system used to transfer payments directly into the accounts of vendors and others. If you anticipate providing further services to any component of NIH for which you would like to be paid, you must complete the ACH Vendor/Miscellaneous Payment Enrollment Form (SF-3881). The form and instruction are available upon request.

Routine Uses for Information Disclosure

Disclosure may be made to a congressional office from the record of an individual. Disclosure may be made to the Department of Justice or to a court order or other tribunal.

Disclosure may be made to contractors to process or refine the records.

Information collected is used routinely to prepare W-2 and 1099 Forms to submit to the Internal Revenue Service and applicable state and local governments those items to be included as individual income.

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Appendix 6

NIH Government Property Classified as Sensitive (Regardless of Cost)

The Department of Health and Human Services and NIH have defined accountable personal property as:

Items classified as capital or non-capital, non-expendable property (two years or longer expected life), with an acquisition cost of \$25,000 or greater;

Items classified as sensitive, regardless of acquisition value. Sensitive items require special control or are subject to unusual rates of loss, theft, or misuse.

* The NIH Property Management Officer maintains the Sensitive Property List. Please refer to the Personal Property Management Guide - NIH Manual Chapter 26101-25-2 for list of sensitive items as well as the time frame required for their submission for inclusion into the NIH Property Data Base.

* Revised Material

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